

Introduced by Senator Speier

February 22, 2005

An act to amend Section 14105.7 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 861, as introduced, Speier. Medi-Cal: allowable drug product prices: updates.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services and under which qualified low-income persons receive health care benefits. Existing law requires the director to update allowable drug product prices no less often than every 30 days, with these updates to include any prior change in drug product price of which the director has received notice.

This bill would, instead, require the director to update allowable drug product prices within 48 hours of receiving notice of a drug product price change.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 14105.7 of the Welfare and Institutions
- 2 Code is amended to read:
- 3 14105.7. (a) In order to fairly reimburse pharmacies for the
- 4 furnishing of prescription drugs to Medi-Cal beneficiaries, the
- 5 director shall update allowable drug product prices ~~no less often~~
- 6 ~~than every 30 days. The update shall include any prior change in~~
- 7 ~~drug product price of which the director has received notice~~

1 *within 48 hours of receiving notice of a drug product price*
2 *change.* Notice to the director shall include, but not be limited to,
3 publication of the price change in the supplier's catalog or
4 supplement or in nationally distributed drug price reference
5 guides.

6 (b) No regulation reducing allowable drug product cost
7 reimbursement or removing a drug from the Medi-Cal list of
8 contract drugs shall be operative until at least 30 days after
9 eligible pharmacies have been mailed a notice of the
10 reimbursement limitation by the department or the fiscal
11 intermediary.

12 (c) The director shall limit the rate of payment for the
13 professional fee portion of prescription services rendered under
14 this chapter pursuant to Section ~~4229.5~~ 4064 of the Business and
15 Professions Code or Section 11201 of the Health and Safety
16 Code and the professional fee portion of prescription services
17 rendered as a refill immediately subsequent to ~~such~~ that
18 prescription to ensure that the total professional fee paid for the
19 two services does not exceed the professional fee paid for the
20 same prescription refill when provided as a routine service.